

SENATE RECORD VOTE ANALYSIS

104th Congress
2nd Session

Vote No. 249

July 30, 1996, 10:14 am
Page S-9089 Temp. Record

ENERGY-WATER APPROPRIATIONS/Advanced Light-Water Reactor

SUBJECT: Energy and Water Development Appropriations Bill for fiscal year 1997 . . . S. 1959. Domenici motion to table the McCain amendment No. 5095.

ACTION: MOTION TO TABLE AGREED TO, 53-45

SYNOPSIS: As reported, S. 1959, the Energy and Water Development Appropriations Bill for fiscal year 1997, will provide \$20.735 billion in new budget authority to the Department of Defense's Civil Corps of Engineers, to the Department of the Interior's Bureau of Reclamation, to the relevant offices within the Department of Energy, and to related independent agencies and commissions.

The McCain amendment would prohibit using funds from this Act to carry out or to terminate the Advanced Light-Water Reactor Program.

Debate was limited by unanimous consent. Following debate, Senator Domenici moved to table the McCain amendment. Generally, those favoring the motion to table favored the amendment; those opposing the motion to table opposed the amendment.

Those favoring the motion to table contended:

Based on the facts, the only Senators who should vote in favor of the McCain amendment are those Senators who are so rabidly opposed to nuclear power that they are willing to throw away hundreds of millions of dollars to make it more difficult to build new nuclear power plants in this country. We realize, of course, that the main sponsor of this amendment supports nuclear power, and has offered this amendment because he thinks it would save money. He is wrong. Had this program never begun, he could make a logical argument against beginning funding, but at this point killing this program will clearly cost many times more than it will save.

The Advanced Light-Water Reactor Program was authorized in the Nuclear Policy Act of 1992, which, despite its title, was enacted in fiscal year 1993. It is a 5-year program that provides leveraged funds to get private industry to develop an advanced, generic nuclear reactor. The purpose of the program is to retain nuclear power as a viable option for the United States' future energy

(See other side)

YEAS (53)			NAYS (45)			NOT VOTING (2)	
Republicans (37 or 71%)	Democrats (16 or 35%)		Republicans (15 or 29%)	Democrats (30 or 65%)		Republicans (1)	Democrats (1)
Abraham	Kassebaum	Bingaman	Ashcroft	Akaka	Kerry	Frahm- ²	Pell- ^{2AN}
Bennett	Kempthorne	Breaux	Chafee	Baucus	Kohl		
Bond	Kyl	Byrd	Coats	Biden	Lautenberg		
Brown	Lott	Conrad	Cohen	Boxer	Leahy		
Burns	Lugar	Daschle	Frist	Bradley	Levin		
Campbell	Mack	Dodd	Gramm	Bryan	Mikulski		
Cochran	McConnell	Exon	Grassley	Bumpers	Moynihan		
Coverdell	Murkowski	Ford	Gregg	Dorgan	Murray		
Craig	Nickles	Heflin	Hatfield	Feingold	Pryor		
D'Amato	Pressler	Hollings	Hutchison	Feinstein	Reid		
DeWine	Santorum	Inouye	Jeffords	Glenn	Robb		
Domenici	Shelby	Johnston	McCain	Graham	Rockefeller		
Faircloth	Simpson	Lieberman	Roth	Harkin	Sarbanes		
Gorton	Smith	Moseley-Braun	Snowe	Kennedy	Wellstone		
Grams	Specter	Nunn	Thompson	Kerrey	Wyden		
Hatch	Stevens	Simon					
Helms	Thomas						
Inhofe	Thurmond						
	Warner						

EXPLANATION OF ABSENCE:

- 1—Official Business
- 2—Necessarily Absent
- 3—Illness
- 4—Other

SYMBOLS:

- AY—Announced Yea
- AN—Announced Nay
- PY—Paired Yea
- PN—Paired Nay

needs. Under current law, each reactor that is built must have its design separately approved, and then construction permits must also be obtained. Having a generic reactor design that is pre-approved for use across America will lower costs greatly and will greatly simplify the process of building new power plants.

The U.S. electrical power needs are expected to rise by 28 percent by 2010. No new energy sources have been identified to meet those needs. The United States, at the time of the oil embargoes in the 1970s, produced two-thirds of the oil it consumed, plus it had a large share of electricity being produced by coal and by nuclear power. Senators can all well remember the economic havoc that was created by having just this small part of the United States' energy needs embargoed. Today the United States imports 54 percent of its oil, and in a few years that amount will climb to two-thirds. Foreign supplies of oil are not increasing, but world demand for those supplies is increasing. Under these conditions, the oil cartel could easily regain strength and could impose an embargo that, given the United States' present dependence, would be much more crushing than the embargoes of the 1970s.

Right now the most economical way to produce electricity in America is with natural gas, so utilities, to the extent that they are adding new power plants, are adding natural gas plants. However, this situation will not remain constant. As natural gas supplies dwindle costs will rise and other sources of energy will become more attractive. Many supporters of the McCain amendment say that this is exactly their point--energy companies, operating through the free market, will naturally develop those energy sources that are the most economical. However, they are overlooking the fact that energy companies' decisions are already being severely twisted by the Government. In the United States, the laws and regulations governing the construction and operation of a nuclear power plant result in enormous costs and capricious results. Companies have tried to build nuclear power plants in the last 20 years, but have not been able to get through all the administrative challenges, and, increasingly, the legal challenges. One of the main difficulties is that separate design licenses and construction licenses must be obtained. Every reactor in America, to gain Federal approval, has to be designed from the ground up and win approval every step of the way. As a result, every reactor in America is unique. After the accident at Three-Mile-Island, each of those reactors had to be rechecked and individually redesigned to meet new Federal standards. Thus, this enormously costly process was repeated, and when it was repeated it was in the late 1970s when there were extremely high interest rates. On top of these costs, anti-nuclear activists have been able to abuse existing laws and regulations to file countless delaying legal challenges, making it impossible to build new nuclear plants. Thus, American businesses do not operate in a free market in which they will build nuclear power plants if doing so is the most economical course of action to take. The Advanced Light-Water Reactor Program is nearly complete. Generic plants will soon be approved. In a couple of years, half of the administrative and legal headaches, and costs, involved in building new nuclear power plants in America will be removed. Understandably, anti-nuclear activists are upset by that fact. They would like to kill this program now, despite the hundreds of millions of dollars that have been invested, in order to prevent new nuclear power plants from being built in the future. Senators who side with those activities are entitled to their opinion that it is worth it to break our contracts with these companies, and waste hundreds of millions of dollars, in order to deprive Americans of the option of new nuclear power plants. We simply have the opposite opinion.

The main sponsor of this amendment, though, believes along with many conservative groups in America that canceling this program will save the United States money. Let us examine that claim. This bill will provide \$40 million. Over the previous few years, \$240 million has been provided. American companies, at the same time, have spent \$444 million. Under the terms of the program, once a generic reactor is built, the companies involved will have to pay the Government \$25 million for the first reactors they build and \$3 million or \$4 million for subsequent reactors. Westinghouse has already agreed to build two of these reactors for Taiwan, and is talking with China about building more. China is now buying Russian, French, and Canadian reactors that will put out 6,000 megawatts of power. China would like to buy power plants from Westinghouse that will put out 11,000 megawatts of power. China wants these plants for environmental reasons--it wants to replace its current plants which cause huge pollution problems by burning very low-grade coal. Each generic reactor will produce 600 megawatts of power. If we cancel this program, these companies will not have to pay the initial \$25 million, nor the extra millions for each reactor they sell. We expect that these reactors, which are superior to any other commercial reactors on the market and the designs for which these companies are definitely going to finalize, are going to be sold around the world. Other countries do not have the quantities of natural gas that the United States has; other countries do not have the anti-nuclear laws that the United States has. We will save \$40 million with the McCain amendment, but over the years we will lose many times that amount in revenues. If we had never invested a penny, one could make the argument that the free market should be allowed to operate. However, at this point, if we do not invest \$40 million in taxpayer funds we will lose several times that amount in funds to the Treasury.

Some Senators have made the claim that United States utilities have lost all interest in nuclear power, citing a survey that found 89 percent of them say they have no intention of building any new nuclear plants. Our colleagues do not mention that the survey in question only was of 10 percent of all plants in America. Further, no utility would have anything to gain by publicly supporting a new nuclear plant, and thus causing controversy, when starting a new plant in the next few years would be uneconomical. The truth is that we have spoken privately with many major utilities, and the nuclear option is still under very active consideration.

The U.S. policies are often very shortsighted, no more so than in the energy field. We could supply all of our energy needs with coal for 400 years, but the costs of mining, largely due to environmental laws, make it uneconomical. We could supply most of our oil needs from Alaska and from Western States, but environmental and other laws make the process take so many years that companies instead look for oil overseas. We could build nuclear power plants, but anti-nuclear activists have stopped new plants from

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being built for over 20 years. We have higher energy prices, lower growth, lower standards of living, and fewer jobs as a result. In 1992, in a rare moment of foresight, Congress passed a law to improve the long-term viability of nuclear power as an energy option for America. We urge our colleagues not to abandon this effort at the last minute.

Those opposing the motion to table contended:

Three companies--General Electric, Westinghouse, and Asea Brown Bover/Combustion Engineering--benefit from this program. Last year they had combined revenues of more than \$100 billion. Put another way, their combined revenues exceeded the Gross Domestic Products of most countries on earth. We ask our colleagues: do these companies need \$40 million from the American taxpayers to develop nuclear reactors that they will then turn around and sell for large profits? The question is that simple. As is typically the case anytime we try to kill one of these corporate welfare projects, the main objection we have heard is that we have gone this far with the program, so we might as well just finish it. We totally disagree. Two types of reactors are being designed under this program. One of the companies, General Electric, recently announced that it is canceling its plans to market one of those reactor types. The reason is that after extensive market analysis, it found that not only would there be no buyers for it in this country, it also found that there would not be enough buyers in the whole world to make it worthwhile to produce it. This announcement is hardly encouraging news, because the problem was with the size of the reactor, and the other reactor under development is the same size. Of course, we may be wrong--one or both of the generic reactors under development might prove to be very marketable. However, that fact does not mean that the Federal Government needs to be involved. If American companies come up with a new reactor design, and if it proves to be popular, that design will make money and the United States will collect taxes on the profits. That is the only extent to which the United States should be involved in the marketplace. We support nuclear power as a safe, clean source of electricity. If it is also economical, we support more nuclear power plants being built. However, our colleagues need to face reality. Utilities in America, when surveyed, have said they have no intention of ever building more nuclear plants. The whole purpose of this program--to make it easier to build nuclear power plants in America--is a purpose that has little to no chance of ever being realized. We urge our colleagues not to waste another \$40 million on this program. We urge them to support the McCain amendment.